



BETTER POLICIES FOR BETTER LIVES

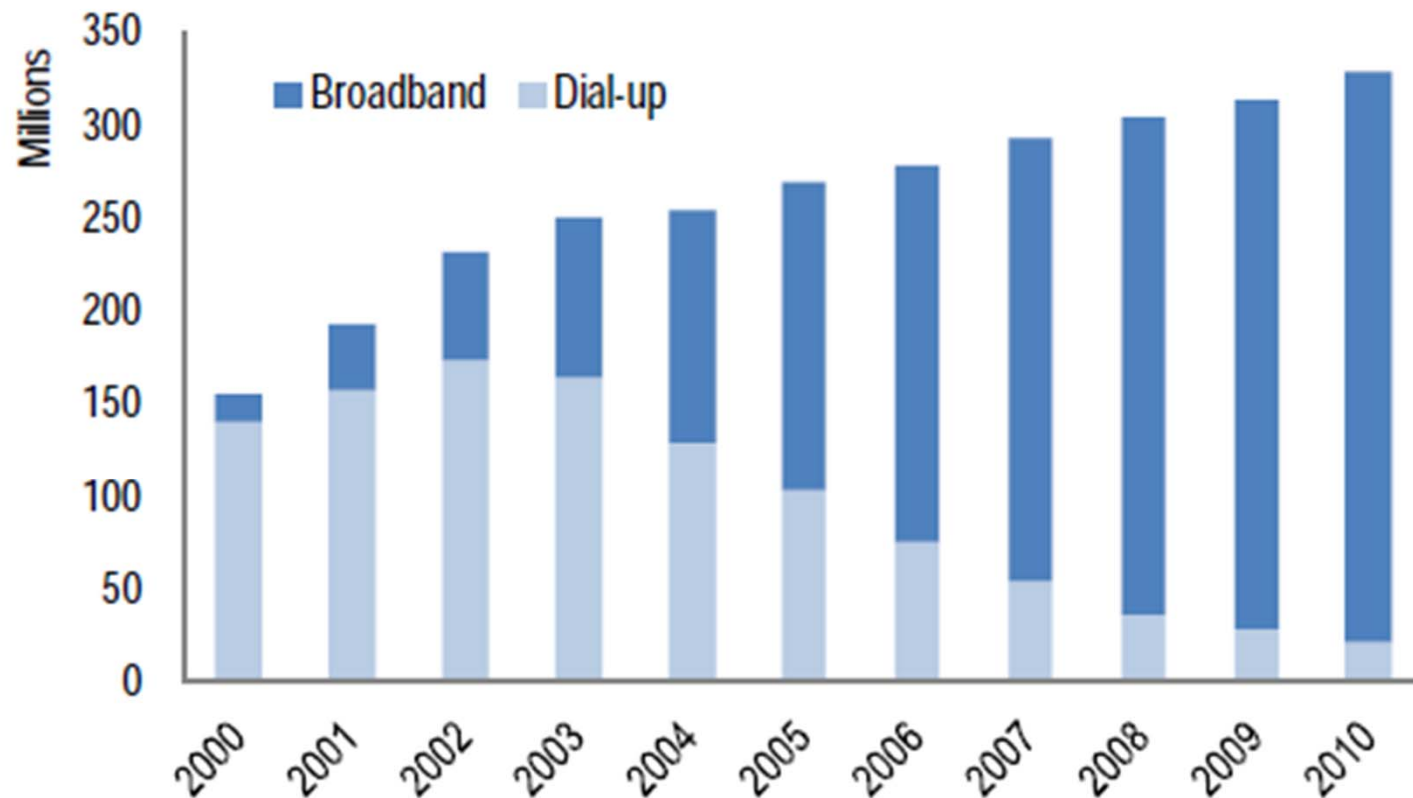
Measuring the Internet economy

OECD/FCC metrics workshop
Washington DC
12-13 October 2011

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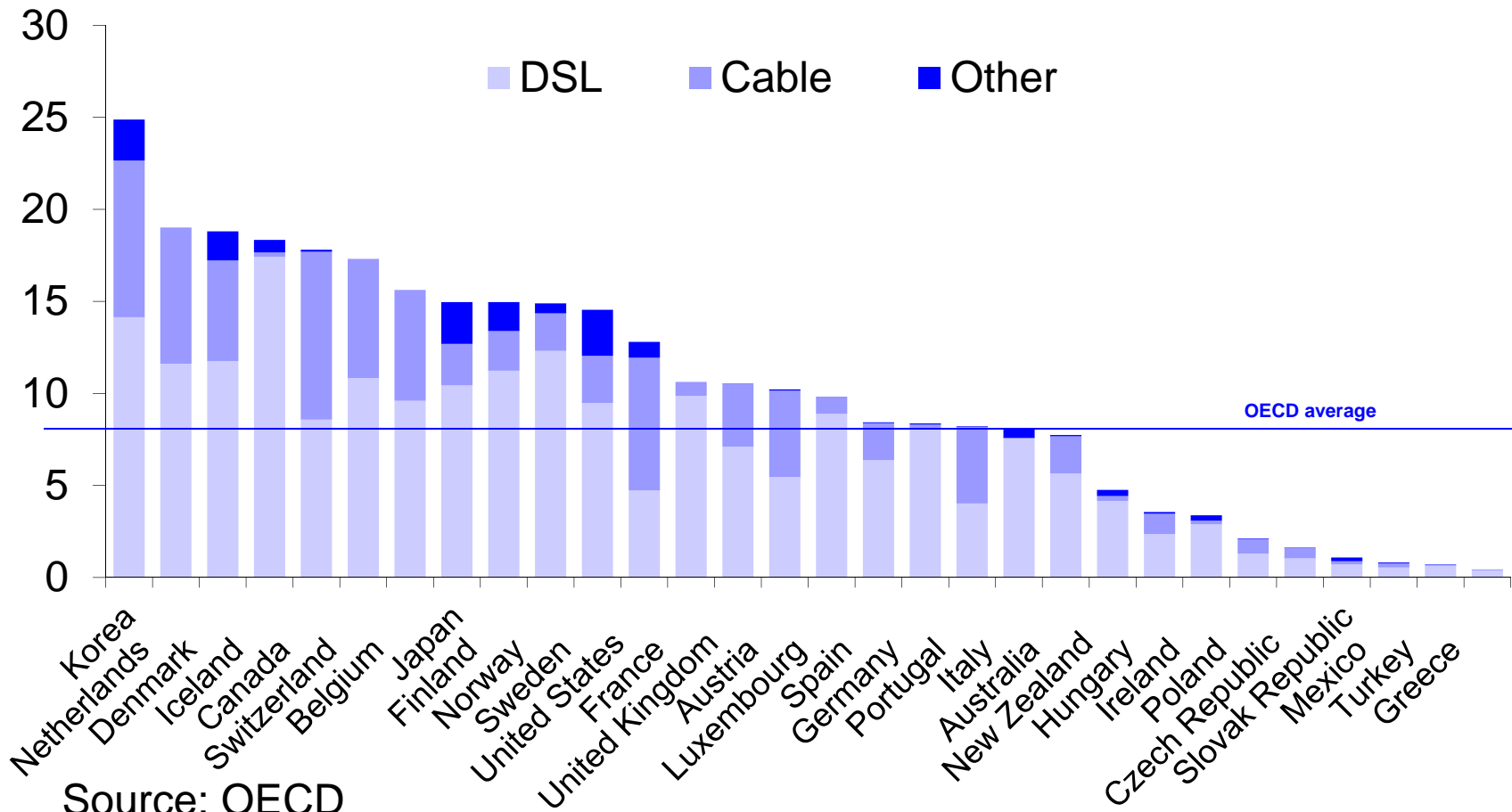
Data: Tracking progress

1. Number of OECD fixed Internet subscriptions



Data: Identifying early innovators

OECD Broadband subscribers per 100 inhabitants, by technology, **December 2004**



A tool for shaping policy

- Data is important but the ultimate objective is informing policy making

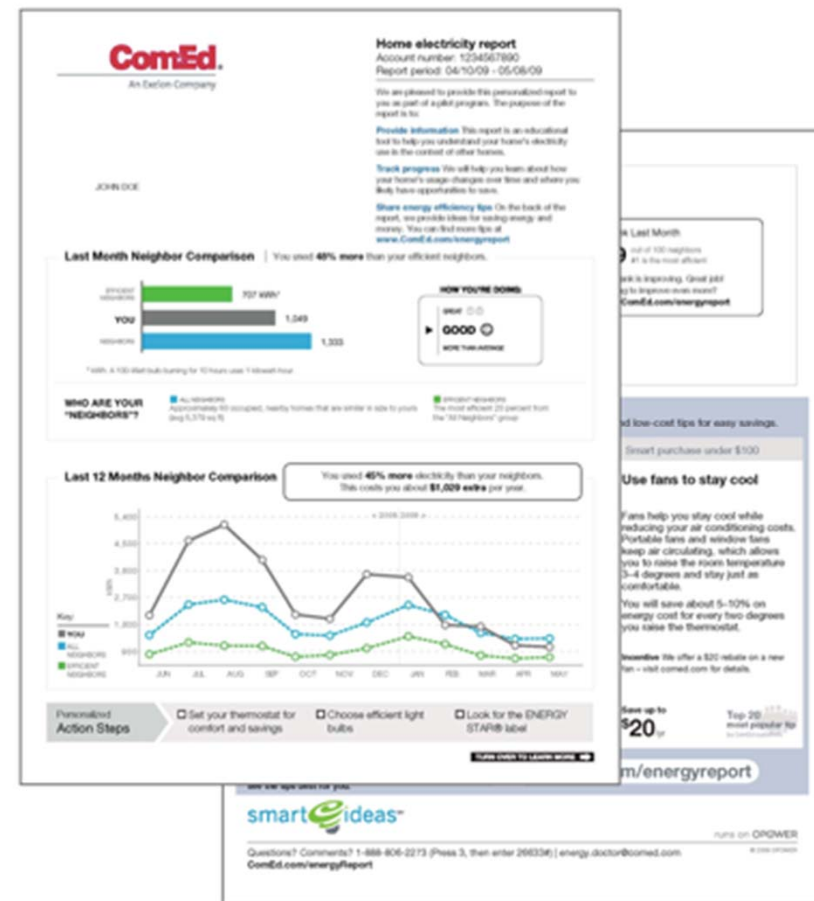


Broadband → Big potential effects

- Electricity savings of 1.5% to 3.5% annually simply by showing people their usage and comparing it with their neighbors
- USD 6-14 billion/year



Home Electricity Report



Benefits justifying rollouts



Electricity



Transportation



Education



Health



0.5% – 1.5%

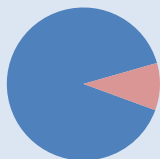
On average, a cost savings of between 0.5% and 1.5% in each of the four sectors over ten years resulting directly from the new broadband network platform could justify the cost of building a national point-to-point, fibre-to-the-home network.

Understanding the Internet economy

Approach 1

Internet economy: e.g. income generated by Internet-related activities

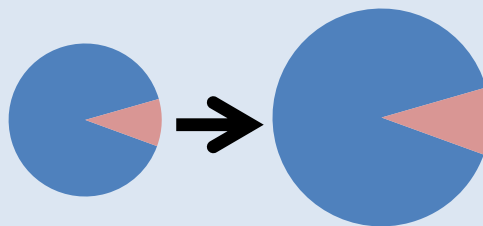
GDP static effects



Approach 2

Direct impact: e.g. productivity gains generated by Internet-related activities

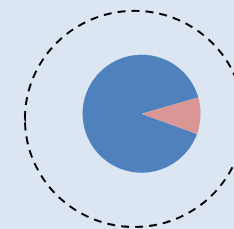
GDP dynamic effects



Approach 3

Indirect impact: e.g. consumer surplus generated by Internet activities

Beyond GDP



Key discussion topics (Sept 2011)

- Will need various approaches. Each has benefits and drawbacks.
- Solow's Paradox
 - Large investments leading to sector gains but difficult to pull out of macro industry or GDP statistics
 - Will also require sector-specific approaches
 - Time lag still a problem
- New metrics needed
 - Intensity, QoS, availability/adoption/usage effects

Timeline/Outcomes

- Sep 2011
Expert Roundtable in Paris
- Dec 2011
Drafts: report / Internet Economy Outlook chapter
- Feb 2012
Revised version of report/chapter
- Jun 2012
Release of report, Internet Economy Outlook
Workshop with policy makers
- 2012 and beyond
Standardization and development of statistics to support
measurements. Continuing impact studies